



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

Confidential Settlement Communication—Protected under Fed. R. Evid. 408

May 23, 2017

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1550 17th St., Suite 500
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RE: Anaconda Mine Site: Settlement of Cost Recovery Claims in Conjunction with Potential
Deferral of NPL Listing

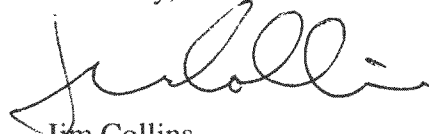
Dear Counsel:

This is to summarize EPA's demand for reimbursement of past costs in conjunction with potential deferral of the Anaconda site, as communicated orally in the May 18 telephone call between counsel for EPA, ARC and the Bureau of Land Management.

EPA will settle and provide a covenant to ARC for all its past costs at the Site, provided that all other agreements necessary for deferral of the Site to Nevada state authorities are executed, in exchange for a payment by ARC of \$9,271,000 to EPA and a waiver by ARC of all potential claims for reimbursement under CERCLA section 106(b)(2) for costs ARC has incurred in compliance with Unilateral Administrative Orders 9-2005-0011 and 9-2007-0005 and Administrative Order on Consent 9-2009-0010. As discussed in the referenced call, and as supported by the cost summaries EPA provided electronically on May 18, EPA's cost demand is composed of \$5,008,000 for OU1 and \$4,263,000 for OUs 00, and 02-07. This cost demand does not include EPA's accrued costs for OU8, an amount in excess of \$7,000,000.

Counsel for ARC indicated in the referenced call that they would communicate EPA's cost demand to ARC's management. Please advise the writer if any matters of substance discussed in the call are omitted in this summary. Thank you for your courtesy and cooperation in the resolution of these matters.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Collins', with a stylized flourish at the end.

Jim Collins
Assistant Regional Counsel

cc: Nathalie Doherty, BLM
Angeles Herrera, EPA